

Advance Questions for Secretary Phillip Jackson Bell
Nominee for Deputy Under Secretary of Defense
(Logistics and Materiel Readiness)

Defense Reforms

Almost two decades have passed since the enactment of the Goldwater-Nichols Department of Defense Reorganization Act of 1986 and the Special Operations reforms.

1. Do you support full implementation of these defense reforms?

Answer: Yes, I fully support implementation of the Goldwater-Nichols reforms.

2. What is your view of the extent to which these defense reforms have been implemented?

Answer: I believe that implementation of these reforms has been successful and consistent with Congressional intent.

3. What do you consider to be the most important aspects of these defense reforms?

Answer: The definition of joint warfighting commands with joint combat support and combat service support organizations is proving to be extremely important in our current warfighting environment. In addition, the placement of the acquisition and logistics policy functions under the control of civilian leadership strengthens the acquisition and logistics community's effectiveness in delivering the capabilities required by the joint warfighters.

The goals of the Congress in enacting the Goldwater-Nichols Department of Defense Reorganization Act of 1986 and the Special Operations reforms can be summarized as strengthening civilian control over the military; improving military advice; placing clear responsibility on the combatant commanders for the accomplishment of their missions; ensuring the authority of the combatant commanders is commensurate with their responsibility; increasing attention to the formulation of strategy and to contingency planning; providing for more efficient use of defense resources; enhancing the effectiveness of military operations; and improving the management and administration of the Department of Defense (DoD).

4. Do you agree with these goals?

Answer: Yes, and I believe the Department is achieving those goals.

5. Do you anticipate that legislative proposals to amend Goldwater-Nichols may be appropriate? If so, what areas do you believe it might be necessary to address in these proposals?

Answer: I have not considered any prospective legislative changes. If confirmed, I look forward to working with the Committee to determine if legislative proposals may be appropriate.

Duties

Section 133b of Title 10, United States Code, and DoD Directive 5134.12, provide that the Deputy Under Secretary of Defense for Logistics and Materiel Readiness is to serve as the principal advisor to the Under Secretary of Defense for Acquisition, Technology, and Logistics (USD(AT&L)) and the Secretary and Deputy Secretary of Defense on logistics and materiel readiness in the Department of Defense. Additionally, among other responsibilities, the Deputy Under Secretary of Defense for Logistics and Materiel Readiness is the principal logistics official within the senior management of the Department of Defense.

6. If confirmed as the Deputy Under Secretary of Defense for Logistics and Materiel Readiness, what would you view as your principal responsibilities to the Secretary of Defense?

Answer: If confirmed, I would fulfill the statutory responsibilities of being the principal advisor on logistics and materiel readiness issues to the Secretary and the Under Secretary of Defense for Acquisition, Technology, and Logistics, and serving as the principal logistics official within the senior management of the DoD. In this capacity, I would monitor and review all logistics, maintenance, materiel readiness, strategic mobility, and sustainment support programs.

7. Assuming you are confirmed, what other duties do you expect that the Secretary would prescribe for you?

Answer: I do not know at this time what additional duties the Secretary might prescribe.

8. What background and experience do you possess that you believe qualifies you to perform these duties and those outlined in the law and applicable DoD directives?

Answer: I believe my experience in both the public and private sector qualifies me to perform the duties of this position.

In my current position, I am engaged in efforts relating to the logistics and material readiness programs in Iraq and elsewhere. Some of these efforts relate to, LOGCAP contracts and IRRF contract management activities. As you know, the Army has transitioned from a peace-time “Cold War” logistics and material readiness system through a start-up phase of military operations, to a phase of sustained support of our military forces on a war-time footing. On a more strategic level, I am participating in efforts to integrate logistics and acquisition efforts through such programs as life cycle management.

In my position as Chief of Staff of the State Department’s Afghanistan Reconstruction Group, I invested a significant amount of time working with both US Government agencies and with Government of Afghanistan senior officials to address supply chain management problems that were creating obstacles and adding significant costs to our reconstruction efforts in that country.

Most of my private sector career over the last 30 years has focused on strategic transformations of large, complex organizations that depend on effective logistics and material readiness programs for their survival and success. Several are significant logistics partners with some of the largest companies in the world, as well as supporting the important DoD logistics efforts. I was CFO of the largest railroad in the U.S. when we began testing bar code and RFID shipment tracking technology, and served as the lead official on aircraft acquisitions in major airlines and was well versed on the issues of CRAF fleet operations.

Equally important, private sector companies are applying and evolving “Best Management Practices” (BMP) in the logistics and material readiness area that DoD seeks to adopt in its business transformation efforts.

9. Do you believe that there are any additional steps that you need to take to enhance your expertise to perform these duties?

Answer: I believe I am prepared to commence these duties if confirmed.

Relationships

If confirmed, what would your relationship be with:

10. The Secretary of Defense

Answer: If confirmed, I would serve as the principal advisor to the Secretary of Defense on logistics and materiel readiness in the DoD.

11. The Deputy Secretary of Defense

Answer: If confirmed, my relationship with the Deputy Secretary of Defense will be the same as that described above in relation to the Secretary of Defense.

12. The Under Secretary of Defense for Acquisition, Technology and Logistics

Answer: If confirmed, I would serve as the principal advisor to the Under Secretary of Defense for Acquisition, Technology, and Logistics on logistics and materiel readiness in the Department of Defense, and would also perform such duties relating to logistics and materiel readiness as the Under Secretary assigns. Those duties include monitoring and reviewing all logistics, maintenance, materiel readiness, and sustainment support programs within the Department of Defense, in accordance with applicable DoD policies.

13. The Under Secretary of Defense for Personnel and Readiness

Answer: If confirmed, I would work closely with the Under Secretary of Defense for Personnel and Readiness so we can both carry out our statutory obligations relating to readiness.

14. The Director for Logistics (J4), the Joint Staff

Answer: If confirmed, my relationship with the Director for Logistics (J4), the Joint Staff, would be based on my role as principal advisor to the Secretary of Defense and the Under Secretary of Defense for Acquisition, Technology, and Logistics on logistics and materiel readiness in the Department of Defense, and his role as principal advisor to the Chairman of the Joint Chiefs of Staff on logistics and materiel readiness. If confirmed, I would need to work with him as well as the US Transportation Command Commander to identify and implement more cost effective approaches to logistics and materiel readiness.

15. The Director for Operational Plans and Joint Force Development (J7), the Joint Staff

Answer: If confirmed, I would coordinate and exchange information with the Director for Operational Plans and Joint Force Development, the Joint Staff, to ensure that DoD logistics and materiel readiness policies are coordinated with operational planning and joint force development requirements.

16. The Director for Force Structure, Resources, and Assessment (J8), the Joint Staff

Answer: If confirmed, I would coordinate and exchange information with the Director for Force Structure, Resources, and Assessment (J8), to ensure DoD logistics and materiel readiness policies are coordinated with force structure and resource requirements.

17. Commander, U.S. Transportation Command

Answer: If confirmed, I would expect to work closely with the Commander, U.S. Transportation Command, to ensure a seamless distribution process to meet warfighter requirements.

18. The Defense Logistics Agency

Answer: If confirmed, I would exercise authority, direction, and control over the Defense Logistics Agency through its Director.

19. The Army Materiel Command

Answer: If confirmed, I would coordinate and exchange information with the Commanding General, Army Materiel Command, to ensure DoD logistics and materiel readiness policies are coordinated with Army materiel requirements.

20. The Naval Sea Systems Command

Answer: If confirmed, I would coordinate and exchange information with the Commander, Naval Sea Systems Command, to ensure DoD logistics and materiel readiness policies are coordinated with Navy materiel requirements.

21. The Naval Air Systems Command

Answer: If confirmed, I would coordinate and exchange information with the Commander, Naval Air Systems Command, to ensure DoD logistics and materiel readiness policies are coordinated with Navy materiel requirements.

22. The Marine Corps Systems Command

Answer: If confirmed, I would coordinate and exchange information with the Commander, Marine Corps Systems Command, to ensure DoD logistics

and materiel readiness policies are coordinated with Marine materiel requirements.

23. The Air Force Materiel Command

Answer: If confirmed, I would coordinate and exchange information with the Commander, Air Force Materiel Command, to ensure DoD logistics and materiel readiness policies are coordinated with Air Force materiel requirements.

Major Challenges and Problems

24. In your view, what are the major challenges confronting the Deputy Under Secretary of Defense for Logistics and Materiel Readiness?

Answer: If confirmed, I anticipate that the major challenges would be:

- (1) providing to our engaged forces the most effective support possible within the resources provided by Congress;
- (2) improving the cost-effectiveness of DoD logistics and materiel readiness efforts; and
- (3) integrating strategic logistics planning with acquisition strategies and programs.

25. Assuming you are confirmed, what plans do you have for addressing these challenges?

Answer: If confirmed, I would plan to:

- (1) accelerate ongoing actions to improve asset and cost visibility across our support structure;
- (2) work closely with other key organizations to identify and implement supply chain improvement; and
- (3) work with DLA, the U.S. Transportation Command, and the Military Departments to implement a logistics performance improvement effort, focused on customer outcomes and cost effectiveness.

Contingency Operations Logistics Challenges

A number of supply distribution problems occurred during the beginning phases of Operation Iraqi Freedom. These problems, which included limited asset visibility, a shortage of ground transportation vehicles, limited communications, and in-theater distribution difficulties, constrained the ability of the DoD to provide effective and timely logistics support to the warfighter.

26. Based on your experience as a member of the Army leadership, what did you observe as the top logistics challenges in support of Operation Iraqi Freedom?

Answer: Army logistics Soldiers moved forces farther and faster than during any War in history and should be commended for their support of OIF. As a result of several factors -- this rapid tactical progress, operations in a difficult environment and asymmetric tactical threats, and the changing nature of tactical operations -- the Army has faced challenges during OIF. Early on, information flow for logisticians was inadequate in locating and identifying critical supplies and parts. The lack of a reliable joint service database in the tactical supply chain caused major breaks in asset visibility and continuity of support. Next, supply and distribution chains were segmented, with multiple owners, aged systems and sometimes incompatible processes. This contributed to either not having the right supplies at the right place or being unable to respond with precision.

27. What solutions would you propose, for the near term and beyond, to ensure a more seamless flow of equipment and supplies from factory to foxhole in support of contingency operations and the global war on terrorism?

Answer: The development of joint logistics capabilities, including integrated databases and effective tracking systems is key to providing efficient logistics support. Programs to improve procurement and distribution surge capabilities are critical in supporting a fast changing tactical environment. Finally, we need to develop more responsive life cycle management programs geared to support the requirements of ongoing tactical operations.

Degradation of Equipment Readiness Due to Operations Tempo

The committee has received testimony from senior DoD officials and the military services citing the effects of operations tempo on the materiel readiness of equipment deployed in support of contingency operations.

28. What is your understanding of the extent to which current operations are impacting the service life of major equipment items?

Answer: A number of factors involved in current operations are impacting the service life of major equipment items. The operations tempo is one. Others include the unusually harsh operational environment and the need to up-armor vehicles, the additional weight of which is accelerating the degradation of equipment performance and deterioration of components.

29. If confirmed, what would your approach be to regenerating materiel readiness that has been degraded by operations tempo?

Answer: If confirmed, I would lead efforts to ensure that repair and maintenance requirements are adequately forecasted and defined, that comprehensive planning and parts provisioning is done, and that programs are properly resourced and managed. I would also work to ensure that accurate, timely information is flowing regarding material readiness and maintenance procedures are streamlined to reduce cycle time.

Balanced Scorecard and Logistics Performance Management

The Defense Department's logistics leadership has adopted the Balanced Scorecard concept as one of the important components of logistics performance management. The process of adapting and implementing the Balanced Scorecard in the Department of Defense is almost two years old.

30. In your view, what are the benefits of the Balanced Scorecard for logistics performance management?

Answer: The Balanced Scorecard benefits logistics performance management by allowing us to focus on results oriented metrics in primary areas. This approach will enable us to better assess how effectively and efficiently we are supporting the warfighter.

31. Do you believe that implementation of the Balanced Scorecard in the Department of Defense can be accelerated?

Answer: Yes, and if confirmed I will work toward acceleration.

Corrosion Prevention and Control

The Congress and the Department of Defense have significantly increased emphasis on the prevention and management of corrosion in equipment and materiel of the services. Actions to address corrosion challenges include establishment of a central corrosion program management office and the institutionalization of corrosion prevention and mitigation as a key component of

the Department's Planning, Programming, Budgeting, and Execution (PPBE) process.

32. What is your understanding of the challenge to the readiness of the military services as a result of corrosion in equipment and materiel and the extent to which the services are coordinating their efforts.

Answer: Corrosion is one of several factors contributing to degrading operational readiness. While severe operational environments cannot be avoided, efforts to minimize or mitigate corrosion are important. The recent formation of the DoD Corrosion Policy and Oversight Office (and the associated Corrosion Prevention and Control Integrated Product Team (CPCIPT)) is greatly improving the coordination of anti-corrosion effort among the services.

33. If confirmed, what would be your relationship with the director of the Corrosion Policy and Oversight Office?

Answer: I would continue L&MR's close relationship with the director of the Corrosion Policy and Oversight Office. The ADUSD/Materiel Readiness and Maintenance Policy coordinates with the director frequently, has him brief corrosion requirements and status during Materiel Readiness Senior Steering Group (MRSSG) meetings, and has a senior staff member as an active member of the CPCIPT.

34. If confirmed, how would you assess the implementation and effectiveness of corrosion prevention and control efforts in programs under your purview and, working with other responsible officials, address identified areas of concern?

Answer: If confirmed, I would lead L&MR efforts to identify corrosion mitigation improvements such as identifying changes needed in parts design, material and manufacture, and preventive maintenance procedures to mitigate corrosive effects.

Radio Frequency Identification

The Congress has supported the DoD's Radio Frequency Identification (RFID) program in order to improve the visibility and identification of, and access to, equipment and supplies.

35. What experience and familiarity do you have with RFID technologies and their implementation?

Answer: As indicated earlier, I was the CFO of the largest railroad in the U.S. during the time testing was undertaken on both bar coding and RFID technologies for shipment tracking. The

superiority of RFID was demonstrated early for external markings on cars, containers, and modular packages on shipments, while bar coding remained more cost effective for individual piece parts not exposed to outdoor conditions. More recent developments in passive RFID technology offer significant improvements in the cost effectiveness of this technology.

36. If confirmed, what actions would you take to ensure that standardized training on the use of RFID and other tracking technologies is being provided to all necessary military and civilian logistics personnel?

Answer :

RFID is an evolving technology which holds great promise for the Department of Defense. DoD has been using active RFID on an ad hoc basis for the last 12 years, and like our commercial counterparts, DoD has just begun implementation of passive RFID technology. As with any new and/or emerging technology, the true benefit is derived from standardizing this enabling technology platform across the services. DoD's July 30, 2004 RFID policy sets the parameters for standard implementation of both active and passive RFID across the Department, and provides the foundation to ensure that DoD will reap the full benefits of RFID.

If confirmed, I would lead efforts to ensure implementation of RFID technology across the services and to ensure that adequate training is provided to successfully implement RFID technologies.

Data Validation for Depot Maintenance Public-Private Workload Distribution Report

Section 2466 of title 10 U.S. Code directs the Secretary of Defense to submit a report to Congress by April 1 of each year outlining the percent distribution of depot-level maintenance and repair workload between the public and private sectors for the preceding fiscal year and the projected distribution for the current and ensuing physical years. One of the continuing problems noted in the preparation of this report is the validity and accuracy of data submitted by the services. As a result, the actual percentage of work completed at public depots is less than what is reported by the department in some cases.

37. If confirmed, what steps will you take to ensure the accuracy of DoD public-private workload distribution reporting?

Answer: If confirmed, I would accelerate efforts to ensure timely and accurate reporting in compliance with Section 2466.

Fleet Readiness Center Initiative

The Secretary of Defense's proposed base closure and realignment actions include a recommendation which permits the Navy to establish aviation Fleet Readiness Centers. These centers would integrate intermediate and depot maintenance levels.

38. What challenges, if any, does the establishment of Navy aviation FRCs present for the Department in the accounting and reporting of depot level work under the provisions of 10 USC 2466, and how would you address those challenges if confirmed?

Answer: Section 2466 states that not more than 50% of the total depot maintenance and repair funding for each Military Department or Defense Agency may be used to contract for performance by non-Federal government personnel. The implementation of Fleet Readiness Centers (FRC) should not directly impact 2466 in the near term. Federal government personnel would still perform at least 50% of the depot level work regardless of where that work is performed within an FRC or one of the FRC sites. It is anticipated that the challenges, if any, will involve the budgeting and reporting of depot maintenance workload under the FRC construct. If confirmed, I would work closely with the Navy to ensure they have a disciplined reporting mechanism in place to meet 10 USC 2466 requirements.

Refueling Aircraft

In September, 2004, the Commander of the U.S. Transportation Command grounded 29 KC-135E aerial refueling aircraft because these aircraft had not received an extended interim repair of the engine struts. The cost of the extended interim repair of the struts for these aircraft is estimated to be \$8.4 million for all 29 aircraft.

39. What role do you believe the Office of the Secretary of Defense should play in monitoring situations, such as this one, that could have long-term, negative impacts on needed aerial refueling capabilities?

Answer: I believe the Deputy Under Secretary of Defense for Logistics and Materiel Readiness should monitor, review and assess the strategic

Formatted: Underline

policy implications of all logistics, maintenance, materiel readiness, and sustainment support programs in the Department of Defense.

40. Do you believe the Office of the Secretary of Defense should become more involved in inventory management and depot loading for systems critical to national security?

Answer: If you mean day-to-day management decisions regarding inventory management or depot loading, that is the responsibility of the military service and in some cases, the Defense Logistics Agency. However, the Office of the Secretary of Defense is responsible for overall management, integration, and direction of Defense logistics systems to include monitoring operational capabilities and performance for critical systems and for identifying corrective actions needed.

Formatted: Indent: Left: 0.5"

Outsourcing of Military Mail Operations

The efficiency of DoD systems for delivery of U. S. mail to and from overseas locations has frequently come under criticism. In 2000, following a two year review of military postal operations, the DoD Military Postal Service (MPS) concluded that "much, if not all, of the MPS mission could potentially be outsourced." Private contractors with in depth experience in logistics/supply chain visibility and security have asserted that outsourcing of overseas military mail operations can, in time, yield enormous savings in manpower and costs, as well as improved mail service. Additionally, the vulnerability of military mail as a means of potential terrorist attacks on military personnel is a matter of importance that the committee has addressed in section 1061 of S. 1042, the National Defense Authorization Act for Fiscal Year 2006.

41. What is your assessment of the feasibility and potential savings associated with "outsourcing" of military mail functions to private contractors?

Answer: Important parts of the existing military postal system are already outsourced. Important transportation links of the system are already outsourced as well. . Major mail processing activities in a number of facilities are outsourced to perform duties such as mail processing, loading/unloading of vehicles and aircraft, and redirection of mail for units that moved. However, consideration of outsourcing of operations must proceed carefully, because there is a complex array of laws and regulations that govern the operation of the military postal system.

Congressional Oversight

In order to exercise its legislative and oversight responsibilities, it is important that this Committee and other appropriate committees of the Congress are able to receive testimony, briefings, and other communications of information.

42. Do you agree, if confirmed for this high position, to appear before this Committee and other appropriate committees of the Congress?

Answer: Yes.

43. Do you agree, when asked, to give your personal views, even if those views differ from the Administration in power?

Answer: I will always be prepared to offer my best professional judgment.

44. Do you agree, if confirmed, to appear before this Committee, or designated members of this Committee, and provide information, subject to appropriate and necessary security protection, with respect to your responsibilities as the Deputy Under Secretary of Defense for Logistics and Materiel Readiness?

Answer: Yes.

45. Do you agree to ensure that testimony, briefings, and other communications of information are provided to this Committee and its staff and other appropriate Committees?

Answer: Yes.